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25 April 1969

MEMORANDUM FOR: Executive Director, NPIC

THROUGH : Chief, Support Services Division

SUBJECT : Status Report on Nepotism

1. The Federal Salary Act of 1967, effective 16 December 1967, contained stringent provisions to preclude nepotism. Public officials have been urged to leave a wide margin of safety with regard to nepotism because the penalty for violation of the law could work great hardship in the recovery of improperly paid wages and in the loss of employment.

2. An Agency Notice, HN 20-329, was issued regarding this subject on 23 January 1968. This Notice was called to the attention of the Group Chiefs by your memorandum of 21 February 1968 and they were told to make it a matter of required study by all subordinate supervisors. At the same time, a survey was initiated in order to develop a current listing of all employed relatives. Group Chiefs were also asked to report any possible problems to the Chief, Personnel Branch.

3. A report was furnished to each Group Chief on 20 August 1968 indicating employees who had relatives employed by CIA. They were asked to review the lists with a view toward identifying potential problems or violations. The survey indicated that there were 94 NPIC employees with relatives employed in NPIC and 118 with relatives elsewhere in the Agency. At that time there were 23 husband and wife teams in NPIC and 27 cases where either the husband or wife of an NPIC employee was employed elsewhere in the Agency (5 with IAS).

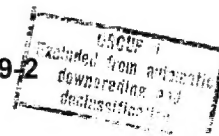
4. On 29 August 1968, you asked for a review to insure maximum virtue and that we brief DDI/Admin and the Office of Personnel. [] and I briefed [] (DD/Pers/Plans and Control) on 5 September 1968. They were both appreciative of our efforts to date and understanding of our unique problems at NPIC. [] particularly wanted to avoid highly restrictive policies which could eventually tie our hands in staffing hard to fill vacancies. On the other hand, he expected NPIC managers to exercise care in avoiding legal and ethical problems. The Career Board was briefed at its meeting on 10 October 1968.

5. In October 1968 all employees were required to read OPM 20-61-4 and CSC Bulletin No. 310-2 regarding restrictions on employment of relatives. The Career Board again reviewed the subject at its meeting of 8 November 1968 and agreed that it should consider all cases where potential problems may exist. Of particular concern were situations where close relatives are assigned within the same Division and cases where the grade level or assignment of an individual indicates that a close relative should not be

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in the same Group. A further look at such cases is planned.

6. There have been two nepotism cases in the newspapers recently. The most publicized one involved the plan to hire President Nixon's brother by the Department of Commerce and the subsequent decision that he would not take the position because the required Presidential appointment might be in conflict with the 1967 law. The second case involved a woman at H.E.W. who gave up a promotion from GS-12 to GS-13 because of complaints of possible nepotism resulting from the fact that her husband was chief of the division in which she works. While there was no direct evidence that the husband had initiated the promotion, it simply didn't look good. The Civil Service Commission indicated in this case that it was poor policy to allow a wife to work for her husband. This type of concern is apparently reflected in the recent questions posed by the IG concerning the employment of husband and wife duos. The concern being that we insure that there is no abuse of good and rational personnel practices.

7. The actions which NPIC has taken to date with respect to the employment of relatives, and our plans for the future, must be viewed in terms of our unusual situation. While other components have as many employees with relatives employed within the Agency as a whole, NPIC has a significantly higher percentage of employees who have relatives also employed within the Center. Some of the factors which have led to this and the resulting disadvantages are as follows:

CONTRIBUTING FACTORS

- a. Physical location - [] is not acceptable to a majority of single clerical employees. Distance from Headquarters creates transportation problems for married employees who have a spouse employed by the Agency.
- b. Rapid growth - NPIC grew rapidly in its early years and every available recruitment source, including relatives, was needed to meet the personnel needs.
- c. Young employees - The average age of IP Careerists is 32.7 and 50% (424 or 860) are under age 30. This, combined with our isolated location, could contribute to a larger number of office marriages.

DISADVANTAGES

- a. Possible nepotism violations - Extensive records and reports are necessary to preclude violations. If one should occur, penalties are severe.

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- b. Career limitations - The utilization and development of an employee may be hampered by the presence of a relative and the need to avoid the possibility of nepotism. This is to the disadvantage of both the employee and NPIC.
- c. Supervisory problems - Unnecessary difficulties are sometimes encountered in the promotion, assignment or discipline of an employee because of the position of a relative.
- d. Morale - It is demoralizing to employees to find or even suspect that relatives of influential persons are receiving choice promotions and assignments.

8. In view of the actions taken this far, i.e., notification of Group Chiefs, relative survey, briefing of DDI/Admin and Office of Personnel, all employee distribution of OPM 20-61-4, and our requirement that each new employee complete a relative survey form, we can be assured that there are no potential nepotism violations at this time. For instance, of the 29 husband and wife teams now employed in NPIC, only 9 work in the same Group and none are in the same Division. The highest grade employee in this status is a GS-13 and no one is in a position to directly influence the progress of his spouse.

9. Since our survey was completed in August 1968, only 7 employees who have relatives employed in the Agency have entered on duty with NPIC. Of these, 4 have relatives in NPIC, 1 of the 4 has a relative in the same Group, and none are employed in the same Division.

10. There are only 6 instances of relatives employed within the same Division of NPIC at this time. They are:

PSG, Research and Reference Division

- a. [] GS-04, Dissemination Branch
is the brother of
[] GS-05, Imagery Research Branch
- b. [] GS-07, Dissemination Branch is
the brother-in-law of
[] GS-05 employees, Imagery Research
Branch
- c. [] GS-05, Info Control Clerk, Imagery Research
Branch is the brother of
[] GS-05, Info Control Clerk, Imagery Research
Branch

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- 25X1 d. [] GS-11, Imagery Research Branch
is the uncle of
25X1 [] GS-05, Graphics Services Branch

PSG, Reprographic Division

- 25X1 e. [] Offset Press Assistant, Offset Printing
Section, LSB is the brother of
25X1 [] Offset Stripper, Lithographic Layout Section,
LSB
25X1 f. [] GS-10, Chief, Camera Unit, C&CS, PSB is
the brother-in-law of
25X1 [] GS-05, Photographer, Printing and Processing
Section, PSB

While they represent no immediate problems, they require continued monitoring.

11. Finally, there are two secretarial assignments in the Office of the Chief, PSG which do not fall within the nepotism provisions but which do offer the opportunity for conjecture and possible criticism. [] husband is a GS-13, Computer Systems Analyst in AID and [] husband is an Offset Pressman in the Reprographic Division. The Chief, PSG believes that he has taken suitable precautions to avoid problems in this area.

[]
Chief, Personnel Branch